

# **New Hampshire Department of Revenue Administration**

## **Fiscal Note Quick Guide**

12-2871.0

**SB 295-FN-A**, *increasing the research and development tax credit against the business profits tax.*

Senate Ways & Means Committee

This bill increases the Research and Development (R&D) Tax Credit against the Business Profits Tax from the maximum aggregate amount of credit awarded each fiscal year from \$1,000,000 to \$2,000,000. The bill also repeals the prospective repeal of the R&D Tax Credit which was established in 2007 and is prospectively set to be repealed on July 1, 2013 (Chapter 271:6, I, Laws of 2007).

Based upon R&D Tax Credit “issuance” data from 2007 through 2011, the maximum amount of \$1,000,000 was awarded each year. Therefore, the Department of Revenue Administration assumes the maximum amount of \$2,000,000 would likely be awarded each year beginning in FY 2014.

In addition, the Department assumes that all the R&D Tax Credit that is granted will be fully utilized in each year. As such, the estimated loss on the aggregate of tax credits which could be issued each year would be \$1,000,000 for FY 2013 and \$2,000,000 each year thereafter.

This law could be administered by the Department of Revenue Administration without any additional cost.